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CS-C-246

TAB "B"

**RECOMMENDATIONS FOR RELIEF OF AGENCY ACCOUNTABLE AND DISBURSING OFFICERS  
FOR SHORTAGES AND LOSSES AND CLARIFICATION OF AGENCY PROCEDURES CONCERNING  
SHORTAGES AND OVERAGES**

1. That Agency policy be established to provide relief to individuals accountable for confidential funds where losses or shortages occur without negligence or malfeasance on the part of the individual.
2. That each station (whether it be a Class A or Class B station) be required to record on its books of account each cash shortage and overage, regardless of size or character, and remain accountable therefor until the station is advised of the disposition to be made thereof.
3. That cash shortages and overages be classified into two categories, as follows:
  - a. Shortages of \$20.00 or less or the equivalent in foreign currencies and overages regardless of amount concerning which the Chief of Station has determined that there is no indication of negligence or malfeasance (where any custodian has repetitive shortages or overages they should be classified as provided in sub-paragraph b, below).
  - b. Shortages and overages concerning which there is evidence of negligence or malfeasance and all shortages of more than \$20.00 regardless of the character thereof.
4. That each station's monthly accounting to headquarters include a schedule of cash shortages and overages, if any, for which the station has not been relieved of accountability.
5. That each station report forthwith to headquarters each cash shortage and overage in category 3b, above; and the report cover the following points:
  - a. Date and amount of the cash shortage or overage.
  - b. A statement as to the frequency of cash counts and whether or not the cash counts are made by more than one person.
  - c. Details of procedure for the handling of cash.
  - d. Facilities available and used for the handling of cash.
  - e. Identity of persons designated as custodians of cash.
  - f. Identity of persons having access to the cash.
  - g. Manner and circumstances under which the difference occurred.

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- h. Opinion as to the cause of the difference, e.g., negligence, improper handling, etc.
- i. Recommendation of the Chief of Station as to the disposition of the difference.
- j. A factual statement by one or more disinterested investigating officers showing their findings.
- 6. That a Board be established to review all confidential funds shortage or overage cases in category 3b, above, and recommend action to the Deputy Director (Administration); such Board to be composed of:
  - a. One regular member to be appointed from each of the following offices:

Office of the Comptroller  
Office of General Counsel  
Office of Audit  
Security Office
  - b. An ad hoc member representing for each case the Office to which the accountable individual is attached.
- 7. That the Board recommended in 6, above, meet on a monthly basis whenever there are loss or shortage cases to review.
- 8. That stations not be required to prepare a detailed report on shortages and overages in category 3a, above, but instead submit with the station accounting on which each such shortage or overage is first reported a certification signed by the Chief of Station that, in his opinion based on an investigation made by him or at his direction, the shortage or overage was not the result of negligence or malfeasance and recommending the disposition of the shortage or overage.
- 9. That cash shortages and overages in category 3a, above, remain recorded in the station's books of account and in the station's accountability until the end of the fiscal year; that they be reflected each month in the schedule of cash shortages and overages which accompanies the station's monthly accounting to headquarters, and that the authority to write off such shortages and overages be delegated to the Comptroller.
- 10. That the Comptroller authorize the Chief, Finance Division, at the end of each fiscal year to write off to expense or to Miscellaneous Receipts, as appropriate, the accumulated shortages and overages in category 3a, above, which are reflected on the Cash Short and Over schedule in each station's most recent accounting to headquarters provided a certification by the Chief of Station, as described in paragraph 8, above, has been received.
- 11. That the Comptroller will prepare a report to your Office at the end of each fiscal year showing, by stations, the number and amount of cash

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shortages and overages which were written off pursuant to authority delegated to the Comptroller.

12. That appropriate headquarters [redacted] on this subject be initiated by the Comptroller for release within the Agency consistent with the foregoing recommendations.

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